set up Local Area Banks in the private sector for providing credit to the small scale business enterprises; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) With a view to providing an institutional mechanism for promoting rural savings as well as for the provision of credit for viable economic activities in the local areas, it has been decided to allow, the establishment, under strict criteria, of a small number of local area banks in the private sector. This is expected to bridge the gap in credit availability and enhance the institutional credit framework in rural and semi-urban areas.

The area of operation of the local area bank shall be a maximum of three geographically contiguous districts. The minimum paid up capital of such a bank shall be Rs. 5 crore and the promoters' contribution atleast Rs. 2 crore.

'In Principle' approvals have been issued in respect of only three banks, in view of the strict criteria.

Local area banks may provide credit to the small scale business enterprises also.

Non-Banking Finance Companies in Uttar Pradesh

*193. SHRIMATI JAYAPRADA NAHATA:
SHRI SANJAY DALMIA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in Uttar Pradesh out of a total of 2,000 non-banking finance companies only a few have registered themselves with the RBI, yet all are functioning and a majority of them are even violating normal banking norms; and

(b) if so, the details thereof and action taken against the erring NBFCs in the State?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) According to the Reserve Bank of India (RBI) out of 1855 Non-Banking Financial Companies (NBFCs) on the mailing list of RBI Lucknow, 1425 have now applied for registration with RBI as per the provisions of Section 451A of RBI Act. Those companies which have applied for registration and are already in existence and carrying on the business of non banking financial institutions as on January 9, 1997 can continue to carry on their business till a decision is taken on their application for Certificate of Registration.

Prior to the amendment of the RBI Act on 9.1.97, RBI was inspecting unregistered NBFCs only when some adverse feature as come to their notice. Registered NBFCs are inspected by Financial Companies wing of Department of Supervision in the RBI normally as per the inspection programme drawn by the regional offices and approved by the Central Office of RBI.

As and when inspections of NBFCs are conducted by RBI, any irregularities noticed during the scrutiny are followed up for necessary corrective/penal action against delinquent companies. In terms of the recent amendment to RBI Act, powers have been conferred on RBI to file an application for winding up of an NBFC under the provisions of the Companies Act 1956, if it is, *inter alia*, unable to pay its debts. Under the said Act, the company Law Board has also been empowered to adjudicate and pass orders in case of non-repayment/non-payment of deposit/interest by NBFCs.

Transfer of Officers of Enforcement Directorate

*194. SHRI AMAR SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of officers of the Enforcement Directorate who have been shifted during the current year; and

(b) officials who are proposed to be transferred in the near future alongwith the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) 75 officers of Enforcement Directorate have been transferred during the current year. Out of these, routine internal transfers made by Director of Enforcement were 62, while the remaining were made by the Government based on the recommendations of Director of Enforcement.

(b) No proposal for transfer of officials of Enforcement Directorate is under consideration for the present.

गुजरात में कांडला विमानपत्तन

*195. **श्री गोपाल सिंह जी० सोलंकी:** क्या नागर विमानन मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या गुजरात का कांडला विमानपत्तन विगत कई वर्षों से विमानन सेवाओं के लिए उपयुक्त नहीं है;

(ख) यदि हां, तो उसके क्या कारण हैं;

(ग) उक्त विमानपत्तन से कब से नागर विमानन सेवाएं समाप्त की गई हैं, क्या इंडियन एयरलाइन्स ने अपनी उड़ानें अनिश्चित काल तक के लिए स्थगित कर दी हैं;

(घ) यदि हां, तो तत्संबंधी ब्यौरा क्या है;

(ङ) सरकार द्वारा कांडला विमानपत्तन से इंडियन एयरलाइन्स की नियमित उड़ानें पुनः बहाल करने के लिए क्या प्रयास किए गए हैं; और

(च) यदि नहीं, तो उसके क्या कारण हैं?

नागर विमानन मंत्री (श्री सी० एम० (इब्राहीम): (क) और (ख) जी, नहीं। कांडला विमानपत्तन 50 सीटर किस्म के विमानों के प्रचालनों के लिए उपयुक्त है।

(ग) और (घ) वायुदूत ने, जो इंडियन एयरलाइन्स का एक प्रभाग है, वर्ष 1994 के मध्य तक विमान सेवाएं प्रचलित की थीं और एनईपीसी एयरलाइन्स ने 31 मार्च, 1997 तक सेवाएं प्रचलित की थीं। एनईपीसी ने अपने प्रचालन अस्थायी रूप से बन्द कर दिए हैं।

(ङ) और (च) इंडियन एयरलाइन्स के पास उपलब्ध जेट विमानों के प्रचालन के लिए कांडला विमानपत्तन उपयुक्त नहीं है। तथापि, एयरलाइनों (निजी एयरलाइनों सहित) को वाणिज्यिक व्यवहार्यता के अध्यधीन, और अधिक गंतव्य स्थानों के लिए प्रचालन हेतु प्रोत्साहित किया जाता है।

Expenditure incurred on subsidies

*196. SHRI SANJAY DALMIA:
SHRIMATI JAYAPRADA NAHATA:

Will the Minister of FINANCE be pleased to state:

(a) the figures of expenditure incurred on various subsidies such as subsidy on foodgrains, sugar, kerosene, LPG, Urea, Nitrogenous fertilizers in 1996-97; and

(b) the estimates of these subsidies at the time of framing budget for the financial year 1996-97?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) The Revised estimates 1996-97 for explicit subsidies, which are the latest figures now available, compare with the Budget estimates follows;

(Rupees in crore)

	1996-97	
Subsidies:	BE	RE
Foodgrains	5241	5166
Sugar	643	900
Indigenous (Urea) fertilisers	4500	4743
Imported (Urea) fertilisers	1648	1350
Sale of decontrolled potassic and phosphatic fertilisers with concession to farmers	2224	1674
Other subsidies	2064	2861
Total:	16320	16694

There is no explicit subsidisation of kerosene and LPG through the Budget.